GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2045
ANSWERED ON:03.08.2001
BANK BRANCHES
AMBATI BRAHMANAIAH;SAMUDRALA VENUGOPAL CHARY

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have given permission to SBI, Bank of India and other banks to set up branches in foreign countries;

(b) if so, the number of branches for which clearance has been given so far and the countries where such new branches are to be opened;

(c) whether most of these banks have also sought permission to close many branches in India;

(d) if so, the reasons therefor; and

(e) the steps the Government propose to take to ensure the branches of these banks are not closed down in the country ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b): Reserve Bank of India (RBI), which is the competent authority to permit Indian banks to open their branches in foreign countries, grants such permission after consultation with the Government of India. The details of the branches of the Indian banks abroad, bank-wise and country-wise, is given in the Annexure.

(c),(d) & (e): Under the liberalized policy, the banks are allowed to close their loss making branches without prior approval of the RBI, subject to certain conditions. As a part of their rationalization/restructuring process, some of the public sector banks have closed/merged their branches at certain centres. According to the information available with RBI, the public sector banks have closed/merged 105 branches during the year 1999-2000.